State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

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To: DISTRICT DEPUTY DIRECTORS, Environmental
DISTRICT ENVIRONMENTAL BRANCH CHIEFS

Date: July 28, 2011

From: Kelly C. Dunlap
Chief
Environmental Management Office

Subject: Project Initiation Documents and the Preliminary Environmental Analysis Report

The purpose of this memorandum is to outline the different types of Project Initiation Documents prepared by the Department, to clarify when a Preliminary Environmental Analysis Report (PEAR) is required, and to provide guidance on the appropriate level of effort to be expended on the PEAR documentation.

The outcome of the Project Initiation phase ("K" phase) is the Project Initiation Document (PID) that establishes a well defined purpose and need statement and a project scope that is tied to a reasonably foreseeable cost estimate and schedule. There are several types of PIDs: the "standard" Project Study Report (PSR); the Project Study Report-Project Development Support (PSR-PDS); the Project Scope Summary Report (PSSR) used for many SHOPP projects; the Capital Preventative Maintenance Project Report (CAPM-PR); and several other specialty types.

In 1997, state legislation mandated that all projects programmed in the STIP have a "PSR" that identifies the funding allocation for specified project development components, one of which is environmental studies and permits. The same legislation prohibited programming funds for capital costs (right-of-way [ROW] acquisition and construction) unless those two project development components could be completed during that same STIP programming period.

The PSR-PDS was developed to program only the support costs needed to achieve project approval. The PSR-PDS facilitates programming of STIP projects by identifying only the scope, schedule, and estimated support costs and resources necessary to advance the project though the Project Approval and Environmental Document (PA&ED) phase. All STIP projects that require an environmental document—i.e., an Initial Study (IS) or an Environmental Impact Report (EIR)—must use a PSR-PDS to program the capital support component of the project. Detailed ROW and construction cost estimates are deferred until after the project alternative is selected and approved. The Project Report (PR) is then used to program the remaining support and capital components of the project including the development of plans, specifications, and estimates (PS&E), ROW acquisition, and construction.

The PEAR serves two phases. For the PID or "K" phase, it anticipates the environmental constraints that may affect project design, alternatives, cost, schedule, and delivery. It estimates the scope, schedule, and costs associated with the subsequent environmental compliance process and it documents the assumptions and risks used to develop those estimates. For the PA&ED or "0" phase, the PEAR provides preliminary information to the environmental team to begin studies and facilitate early consultation with state and federal resource agencies.
A PEAR is only *required* for STIP projects programmed with a PSR-PDS which is only prepared for projects which will require an environmental document. When a PSR-PDS is prepared, the PEAR becomes an attachment to the PID. As the PSR-PDS only estimates costs through PA&ED, *the PEAR for a PSR-PDS should only estimate costs through PA&ED;* a PSR-PDS, including the PEAR subcomponent, cannot be used to program capital expenses for subsequent phases. The cost of environmental permits and commitments is a capital expense and is programmed along with ROW and construction costs and therefore should not be included in a PEAR for a PSR-PDS.

A PEAR is optional, but strongly recommended, for STIP projects programmed with a standard Project Study Report (PSR); categorically exempt (CE) STIP projects that require environmental technical studies; and complex SHOPP projects, especially Long Lead SHOPP projects. When a PEAR is completed for a standard PSR, which identifies the project's scope, schedule, and estimated cost through ROW acquisition and construction, the PEAR should include the cost of environmental permits and commitments, including implementation and monitoring.

A PEAR is not intended to be used with PSSRs or CAPM-PRs where the project clearly qualifies for a CE without technical studies and the CE is approved during the PID process. However, the Project Development Team (PDT) has the discretion to prepare a PEAR for any type of PID.

Regardless of the type of PID being prepared, the PEAR should be a concise (approximately 5 to 15 pages) report used to document the issues that are anticipated to be addressed in the NEPA or CEQA documentation and the assumptions that were used to anticipate those issues. The magnitude and complexity of the proposed project dictates the level of effort expended for the PEAR documentation, nevertheless, the PEAR is not an environmental document; it is not the equivalent of the Tier 1 NEPA document; and it is not a report of environmental analysis.

The 2009 revisions to the PEAR Handbook included a new discussion on level of effort as well as risks and assumptions. The level of effort discussion was added to provide more guidance on the types of projects that may be considered at higher risk for project delays due to environmental concerns and therefore require a higher level of effort for the PEAR.

The PEAR Handbook makes it clear that a PEAR should *always* include documentation of any assumptions that were made and/or any environmental risks, particular those assumptions and risks that could affect the cost, scope, and schedule of the project.

Should you have any questions regarding this memorandum please contact Jennifer Heichel, HQ Mitigation Cooperative Agreements Coordinator, at (916) 653-6207 or via e-mail at jennifer.heichel@dot.ca.gov.

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